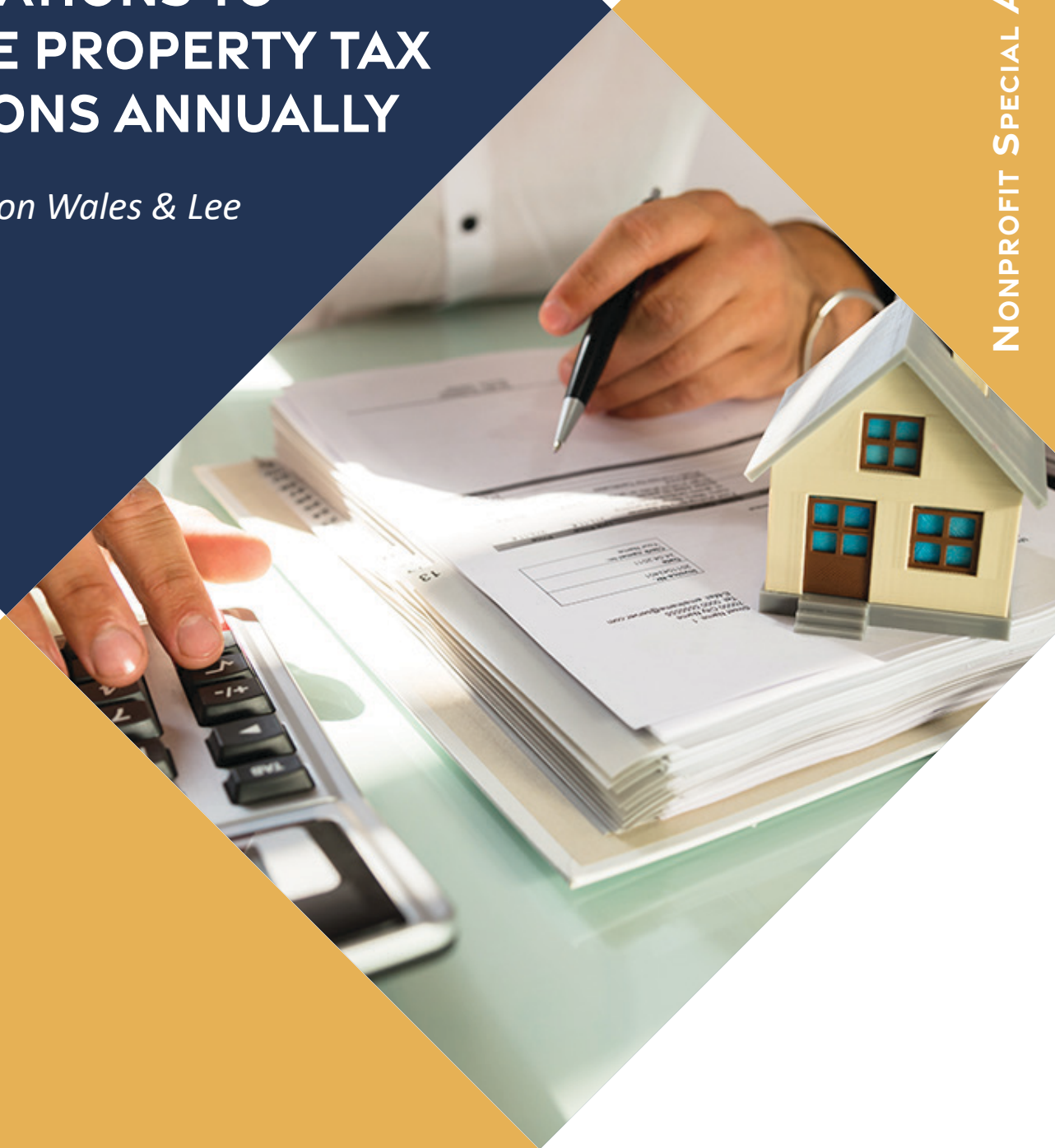


BMWL REMINDS NONPROFIT ORGANIZATIONS TO EVALUATE PROPERTY TAX EXEMPTIONS ANNUALLY

By Batts Morrison Wales & Lee



NONPROFIT SPECIAL ALERT™



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CERTIFIED PUBLIC ACCOUNTANTS®

BMWL Reminds Nonprofit Organizations to Evaluate Property Tax Exemptions Annually

Most jurisdictions provide relief from property taxes to qualifying nonprofit organizations that own real property (e.g., land and buildings) and/or personal property (e.g., furniture, equipment, leasehold improvements) located in that jurisdiction. Generally, exemptions are based on the ownership and use of the property, although different states have different rules regarding what types of entities and what uses qualify for exemption.

While property taxes are assessed and exemptions are evaluated differently in various states, in many states, this is the time of year when property tax exemption applications or renewals must be addressed. Therefore, if your organization has not already done so, BMWL recommends reviewing the practical reminders and recommendations below to determine whether further analysis and evaluation of your organization's property tax exemptions are required.

Take the following actions as soon as possible in case one or more exemption applications are required. Preparation of a property exemption application can be a time-consuming process, depending on the facts and circumstances, and the due dates for property tax exemption applications are often early in the calendar year.

Practical Reminders and Recommendations:

- Review your organization's prior year tax notice or online account to determine whether the organization's property has historically received exemption. If not, consider whether the property might qualify for exemption and, if so, determine the related exemption application filing requirements and due dates.

- For property that has historically been granted an exemption, determine if there has been any change in the use of the property and, if so, determine what reporting requirements may apply with respect to the change in use...or whether a new exemption application may be required.
- If you have newly acquired property for which you need to apply for property tax exemption, determine the applicable filing requirements and due dates.
- If you are uncertain about the available exemptions in your state, consider contacting your local taxing jurisdiction (or visiting its website) to inquire about potential property tax exemptions that may be available to your organization. (Specifically inquire about any property tax exemption application deadlines and the necessary documentation that must be submitted in order to qualify.)

If your organization is a BMWL client (or if you would like to become one), email our team at Info@NonprofitCPA.com if you would like our highly experienced tax team to help you address property tax exemption issues for your organization.

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